



U.S. Immigration
and Customs
Enforcement

News Release

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Co-Leader of \$30 Million Telemarketing Fraud Pleads Guilty **-- Scheme targeted than 100,000 U.S. victims and routed funds to bank account at HSBC--**

NEW YORK, NY – Michael J. Garcia, the United States Attorney for the Southern District of New York, and Martin Ficke, the Special Agent in Charge of the New York Office of the U.S. Department of Homeland Security’s U.S. Immigration and Customs Enforcement (“ICE”), announced that Stephan Clark, a Canadian citizen who was the co-owner of a company in Montreal that engaged in a massive telemarketing fraud, pled guilty in Manhattan federal court today to two separate conspiracy counts stemming from his role in the scheme, which targeted approximately 100,000 of U.S. victims between early 2002 and late 2003.

According to a superseding indictment (the “Indictment”) against Clark and co-defendants Leslie Pinsky and Raymond Payne, earlier criminal complaints in the case (the “Complaints”), and Clark’s statements in his guilty plea, CLARK and PINSKY ran First Choice Tele-Services Corporation (“First Choice”).

First Choice employed telemarketers who made unsolicited “cold-calls” to low income U.S. residents with poor credit. In those calls, First Choice offered U.S. residents “guaranteed” credit cards - for a fee that ranged from \$249 to \$299. First Choice telemarketers working for Pinsky and Clark also obtained the victims’ bank account information, which First Choice used to initiate transfers of funds from the victims’ bank accounts to an account First Choice held at HSBC Bank (“HSBC”) in Manhattan.

According to the charges, although some of the victims of the scheme received a manual on how to repair their bad credit, none of the victims received a credit card from First Choice. Approximately \$30 million in proceeds from this scheme was run through First Choice’s HSBC account, and the scheme victimized an estimated 100,000 victims in the U.S.

In his plea before United States District Judge Thomas P. Griesa, CLARK admitted that First Choice never had any intention of providing credit cards to anyone, that First Choice cold callers made fraudulent representations to victims of the scheme, and that he laundered proceeds of the fraud through accounts in Canada in an effort to conceal the source of those funds.

Clark, 47, resides in Dollards-Des-Ormeaux, Quebec. He pled guilty to one count of conspiracy to commit wire fraud and mail fraud and one count of conspiracy to launder money. Each count carries a maximum sentence of 20 years in prison. In addition, the count of conspiracy to commit wire and mail fraud carries a maximum fine of \$250,000 or twice the gross gain or loss resulting from the fraud scheme, and the conspiracy to launder money count carries a maximum fine of \$500,000 or twice the value of the money laundered.

PAYNE, who was a Vice President of HSBC and the relationship manager on First Choice's HSBC account, pled guilty to his role in this scheme on August 18, 2006. PINSKY, meanwhile, has been ordered by a Canadian Minister of Justice to surrender to the U.S. pursuant to an extradition request made by the United States.

The investigation into this telemarketing fraud scheme was conducted in New York by the ICE El Dorado Task Force, and in Canada by Project COLT. Project COLT is comprised of agents from the U.S. Department of Homeland Security, the Federal Bureau of Investigation and the U.S. Postal Inspection Service, and investigators and law enforcement personnel from the Royal Canadian Mounted Police, Sûreté de Québec (the Quebec Provincial Police), the Montreal Urban Community Police and the Canadian Competition Bureau. Mr. Garcia and Mr. Ficke praised the investigative efforts of these agencies.

Assistant United States Attorneys Jonathan S. Abernethy and William C. Komaroff are in charge of the prosecution.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.